

HB 795 -- Alternative Fuel

Sponsor: Kolkmeier

This bill makes changes to the laws regarding alternative fuels. In its main provisions, the bill:

(1) Prohibits a county building ordinance adopted by a first or second classification county building commission from conflicting with the liquefied petroleum gas installation regulations established under Section 323.020, RSMo;

(2) Reauthorizes, beginning January 1, 2014 but ending before January 1, 2017, the tax credit for alternative fuel stations and authorizes a tax credit of 10% of the alternative fuel conversion costs or \$2,500, whichever is less, for any applicant who makes 25 or more conversions in a year. Alternative fuel conversions must have at least 70% by volume of one or more of ethanol, biodiesel, liquefied petroleum, autogas, hydrogen, or natural gas based fuels. The credit may be carried forward for up to two years or it may be transferred, assigned or sold. The alternative fuel station and natural gas conversion tax credits are capped at \$1 million annually;

(3) Adds stationary property used for generation, transportation, or storage of liquid and gaseous products including petroleum products, natural gas, propane, LP gas, solar and wind power equipment, water, and sewage to the definition of "real property" for property taxation purposes;

(4) Exempts any equipment or property with a retail value of \$50,000 or less that is required for the use, transmission, generation or storage of alternative or renewable energy in an alternative energy operation or alternative fuels used for fleet, transportation, power generation, heat or another application from property taxation as long as the equipment, property, or installation is in working order;

(5) Defines "additive" as a substance designed to increase engine power or performance but not capable of propelling the vehicle without the primary fuel;

(6) Adds propane or autogas, compressed natural gas, and liquefied natural gas to the definition of "alternative fuel";

(7) Increases the annual fee for an alternative fuel decal from \$75 to \$100 for a passenger vehicle, school bus, or a commercial vehicle with a gross vehicle weight of 18,000 pounds or less, from \$100 to \$125 for a licensed farm vehicle with a gross vehicle

weight greater than 18,000 pounds but no more than 36,000 pounds, from \$150 to \$175 for a vehicle with a gross vehicle weight greater than 18,000 pounds but no more than 36,000 pounds and for a passenger-carrying vehicle, from \$250 to \$300 for a licensed farm vehicle with a gross vehicle weight greater than 36,000 pounds, from \$1,000 to \$1,500 for a vehicle with a gross vehicle weight greater than 36,000 pounds and from \$8 to \$12 per day for a temporary decal for a nonresident's vehicle;

(8) Allows owners of alternative fuel vehicles registered outside Missouri to either purchase a valid temporary alternative fuel decal or remit the motor fuel tax at the time of the fuel purchase. Fuel providers must remit all road tax collected from non-state residents quarterly on forms provided by the Department of Revenue;

(9) Requires 80% of the revenue from the alternative fuel decal fees or collections of non-state road tax to be deposited in the Motor Fuel Tax Fund and 20% to be deposited into the Missouri Alternative Fuel Infrastructure Tax Credit Fund under the Department of Natural Resources;

(10) Increases the amount a seller of alternative fuel decals can retain from 50 cents to \$2 for each decal fee timely remitted to the Director of the Department of Revenue;

(11) Allows a qualified conversion seller or seller of a vehicle with an alternative fuel system in place to pay the road tax on the fuel instead of purchasing an alternative fuel decal;

(12) Requires all sales of alternative fuels to be recorded on an invoice with the decal number, motor vehicle license number, and number of gallons put into the vehicle. The invoices must be kept for a minimum of two years; and

(13) Requires all sales of alternative fuel-powered vehicles to be reported to the Department of Revenue annually.

The provisions regarding the tax credits will sunset six years after the effective date.